



The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA)

Medicare Part D

Learning Objectives

- Overview of Medicare Part D
- Standard Coverage
- The Limited Income Subsidy (LIS) Program
 - AHCCCS Customers
 - Non-AHCCCS Customers
- The Role of Contractor Staff
- Helpful Information

Medicare Prescription Drug Coverage:

- Begins January 1, 2006
- Available to all people with Medicare
- Voluntary program but requires enrollment
- Provided through Part D plans

Eligibility for Medicare Part D

- Entitled to Part A and/or enrolled in Part B
- Reside in a prescription plan service area
- Must enroll in a Medicare Part D Plan

Standard Coverage Plan

2006 Customer Costs:

- \$37 Monthly premium (estimated)
- \$250 Annual deductible
- 25% co-pay from \$250 to \$2,250
- 100% of drug costs from \$2,250 to \$5,100
- 5% co-pay at \$5,100 and up

Prescriptions Provided through Part D Plans

- Prescription Drug Plan (PDP)
- Medicare Advantage Plans (MA-PD)
- Special Needs Plan (SNP)
- Employer plans for retirees

Medicare Part D Plans:

- Must offer the standard benefit
- May offer enhanced benefits
- Decide which drugs they will cover (formulary)

Plans Have Specific Service Areas

- PDP – entire state
- MA-PD – contracted area
- SNP – AHCCCS members

Formulary

Each plan must identify the list of drugs they cover.
Must cover at least 2 drugs in each drug class.

Must cover all drugs these classes: antipsychotics, antidepressants, anticonvulsants, antiretrovirals, antineoplastics, immunosuppressants.

NOT ALL MEDICATIONS ARE COVERED BY ALL PLANS

Formulary Exception and Appeal Process

1. Request an exception
2. Request a redetermination
3. Appeal

Enrollment for Standard Coverage

- Initial Enrollment Period (IEP)
- Annual Coordinated Election Period (AEP)
- Special Enrollment Period (SEP)

Long Term Care Facilities

Encouraged to contract with all

- PDPs,
- MA-PDs or
- SNPs

Postponing Enrollment

- Higher premiums for people who wait to enroll
- Assessed 1% of base premium for every month

Creditable Coverage

- Coverage is the same or better than a Medicare PDP
- Examples include:
 - Group health insurance for retirees
 - VA
 - Military coverage, including TRICARE
 - Private health insurance
 - IHS

CMS Outreach

- Media campaign
- Web site www.medicare.gov
- Phone line 1-800-Medicare (633-4227)

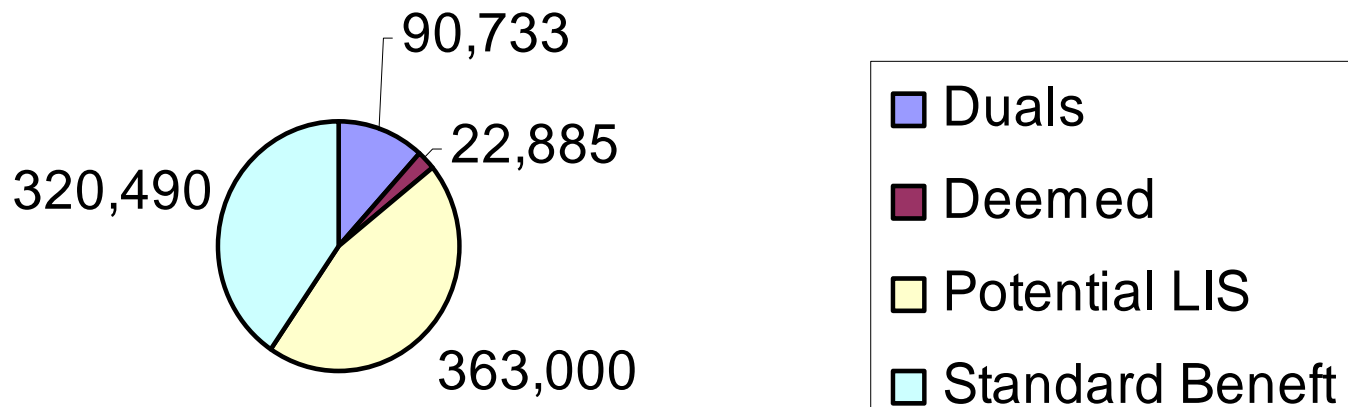
What is Limited Income Subsidy (LIS)?

LIS helps with Medicare Part D Costs and covers three groups:

- ✓ Dual Eligibles – AHCCCS/Medicare
- ✓ Deemed Eligibles – MCS/Medicare
- ✓ Others with income less than 150% FPL and limited resources

People With Medicare in Arizona

Total: 797,108



Effective January 1, 2006

- AHCCCS will stop covering Medicare prescription drugs
- AHCCCS members with Medicare will have to enroll in a Medicare Part D plan

Dual Eligibles

People who are eligible for both Medicare and AHCCCS:

- ALTCS
- SSI-MAO
- AHCCCS Freedom To Work
- Families and Children (DES)
- QMB/Duals

How Part D Works for Dual Eligibles

- No monthly premium
- No deductible
- No coverage gap
- Maximum co-pays based on income
 - $\leq 100\%$ FPL = \$1 for generic, \$3 brand name
 - $> 100\%$ FPL = \$2 for generic, \$5 brand name
 - \$0 co-pay for catastrophic costs

Auto Enrollment for Dual Eligibles

- Existing dual eligibles auto-enrolled 10/2005
- Dual eligibles after 10/1/05 - Auto-enrolled if no choice by 12/31/05
- Dual eligibles have an option to change plans

Important Dates for Dual Eligibles

- May 2005
- September 2005
- October 2005

Dual Eligibles Checklist

- ✓ Is there creditable coverage?
- ✓ Wait for more information from CMS about enrollment

Deemed Eligibles

People who are on Medicare Cost Sharing Programs, which includes:

- Qualified Medicare Beneficiaries only (QMB)
- Specified Low-income Medicare Beneficiaries (SLMB)
- Qualified Individuals-1 (QI-1)

How Part D Works for Deemed Eligibles

- No monthly premium
- No deductible
- No coverage gap
- Maximum co-pays based on income
 - $\leq 100\%$ FPL = \$1 for generic, \$3 brand name
 - $> 100\%$ FPL = \$2 for generic, \$5 brand name
 - \$0 co-pay for catastrophic costs

Enrollment for Deemed Eligibles

- If customer self enrolls, coverage begins as early as 1/1/06
- If not enrolled by 6/1/06 effective date, CMS will auto-enroll.

Important Dates for Deemed Eligibles

- May 2005
- May 2006

Extra Help for Other People

Eligibility determinations for LIS are done by:

- Social Security Administration

LIS Benefits

- Sliding scale for premiums
- Deductibles and co-pays.
based on income and resource
levels

SSA Outreach for “Extra Help”

- 20 million applications nationwide
- 363,000 applications in Arizona
- Outreach events
- Training for SHIPs

Important Dates for Potential LIS Applicants

- May - August 2005
- July 2005

Social Security Administration

- Will take applications for “extra help”
- Target population:
 - Income below 150% FPL
 - Limited resources
- Several application options

Social Security Online Help

Social Security Online - Microsoft Internet Explorer provided by AHCCCS

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media Print Mail

Address <http://www.socialsecurity.gov/> Go Links

Learn about Social Security's work incentives program for people with disabilities.

Social Security Online
The Official Website of the U.S. Social Security Administration

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What you can do Online

Your Social Security Number & Card

Social Security News

See if you might qualify for extra help with your Medicare prescription drug costs

Social Security Delivers the Most Popular Baby Names for 2004

Social Security Trustees release their 2005 Report

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Who Can Apply with SSA?

- Beneficiaries
- Representatives
- ANYONE – Including YOU!!!
- Others, if requested

SSA Application Verification

- Relies on client statement
- Uses data matches (e.g., IRS, RRB, OPM, OCSE, County Recorder)
- May need to follow-up with customer

SSA LIS Application Eligibility Factors

- Include income and resources of applicant and spouse
- Must meet resource limit
- Compare monthly net countable income to family size standard

Enrollment for Limited Income Subsidy Eligibles

- Once approved, beneficiary must select a prescription plan
- If not enrolled by 5/15/06, CMS auto enrolls on 6/1/06

Your Role

- Answer questions!
- Help non dual or deemed customers apply for LIS with SSA
- Assist customers in evaluating Part D Plans.
- Direct individuals with questions about enrollment to available resources

Medicare Part D Challenges

- Resistance to change
- Only 1 in 10 said they would enroll
- Only 14% have heard of or visited www.Medicare.gov
- Only 55% have heard of or called 1-800-Medicare

